



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 23, 2011

H.R. 2681 **Cement Sector Regulatory Relief Act of 2011**

*As ordered reported by the House Committee on Energy and Commerce
on September 21, 2011*

SUMMARY

Over the past year, EPA completed three emissions standards that apply to cement manufacturing plants. H.R. 2681 would prevent those rules from being implemented and require EPA to propose new regulations. EPA would have 15 months from the bill's enactment to finalize the new regulations; plants affected by those regulations would have at least five years to comply with the new rules. CBO estimates that enacting this legislation would have a net cost of \$1 million over the 2012-2016 period, subject to the availability of appropriated funds. Enacting H.R. 2681 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 2681 contains no new intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO estimates that implementing H.R. 2681 would have a net cost of \$1 million over the next five years. The costs of this legislation fall within budget function 300 (natural resources and environment).

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 2681 will be enacted by the end of 2011 and that the necessary amounts to implement the legislation will be appropriated for each year.

According to EPA, the agency spent about \$2 million over the 2008-2011 period to develop and finalize the emissions standards for cement manufacturing plants. CBO estimates that it would cost EPA about \$2 million over the 2012-2016 period to implement and enforce those rules under current law. While enacting this bill would preclude EPA from spending resources on those activities, this legislation would require EPA to spend resources on proposing and finalizing new regulations.

The new regulations would be based on emissions limits that can be achieved in practice by facilities using available technology. At this time, EPA is uncertain how it would interpret this requirement for the new regulations and cannot say what the cost to develop the new rules would be. For this estimate, CBO assumes that rulemaking costs for the new rules would be similar to those for the prior effort (\$2 million) to issue regulations. CBO estimates that implementing, and enforcing the new regulations would have an additional cost of about \$1 million over the 2012-2016 period.

On balance, CBO estimates that implementing this legislation would have a net cost \$1 million over the next five years.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND ON THE PRIVATE SECTOR IMPACT

H.R. 2681 contains no new intergovernmental or private-sector mandates as defined in UMRA.

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